

**Chairman Ander Crenshaw**  
**Subcommittee on Financial Services and General Government**  
**House Committee on Appropriations**  
**Oversight Hearing – Small Business Administration**  
**April 10, 2013**  
**Opening Statement As Prepared**

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Good morning to all of you. Today, April 10<sup>th</sup>, we finally received the President's 2014 budget request that was due to Congress on February 4<sup>th</sup>. This delay is troubling, but we on the Appropriations Committee are ready to dig in and move forward on our work.

With us today is Peggy Gustafson, the Inspector General for the Small Business Administration since 2009. With a budget totaling \$16.3 million in fiscal year 2012, the SBA Office of Inspector General has a significant job in conducting oversight of SBA's diverse portfolio of programs, ensuring that the taxpayer and small business interests are protected and served well.

The SBA plays a critical role in maintaining and strengthening our nation's economy by assisting small business—providing small businesses with access to capital, opportunities to compete for government contracts, and technical assistance. Additionally, the SBA helps businesses and homeowners affected by disasters get back on their feet through its Disaster loans program. SBA was appropriated \$800 million to provide relief and recovery to the small businesses, homeowners, and renters affected by Hurricane Sandy. This is a massive effort that needs strong oversight.

While SBA's programs are vital to getting our economy back on track, the Agency must confront significant challenges in executing its mission. Fraud continues to be a problem affecting all of SBA programs. Default rates within the business loan program remain high, costing the government and taxpayers millions. Excessive improper payments, weaknesses in procurement procedure, and poor lender oversight are all issues that SBA must address.

The Office of Inspector General was created to promote economy, efficiency, and effectiveness in SBA programs and operations and to deter and detect waste fraud and abuse. Your job is an important one and I look forward to your testimony.

With that, I would like to recognize the subcommittee's Ranking Member Serrano, for any opening statement he wishes to make.

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